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From:

Sent: Monday, January 30, 2012 12:08:50 PM

To:

Cc:

Subject: CDP and RCP

Re: Estate of Mangiardi v. Commissioner, T.C. Memo. 2011-24 (In evaluating an OIC for estate tax, the estate's RCP includes the amount the Service may collect under IRC 6324(a)(2) from a beneficiary who had received nonprobate distributions).

Hi . You can give me a call at to talk about the procedure whenever you'd like, but in the meantime, here's some general info.

In Estate of Mangiardi the nonprobate assets were easily identified and valued. In cases where the nonprobate assets are not so easily identified and valued (e.g., when it's been a long period time since the distribution of the assets), the usual procedures for obtaining information on assets held by third parties apply to the nonprobate assets. As a starting point, the national asset locator tool (Accurint) might be useful in tracking the nonprobate assets. If more checking is needed, the IRM provides general guidance for taking account of assets held by third parties when collecting a tax liability. See IRM 5.8.5.5.2 (10-22-2010) *Assets Held By Others as Transferees, Nominees, or Alter Egos*. The IRM is directed at obtaining information on assets held by a nominee or alter ego and on those improperly transferred to a third party, but the same approach applies to assets properly transferred outside of probate.

Although the same approach may apply, the estate might not have current information on the nonprobate assets and a beneficiary might not be forthcoming with information. [REDACTED]

[REDACTED] IRM 5.8.5.5.2(4) and (5) provide the procedure to follow if information on assets held by a third party cannot be obtained by the usual tools and isn't provided by the taxpayer or the third party; e.g., ¶(4) provides "If the taxpayer is unwilling or unable to provide the financial information requested; consider assigning a value based on available information"; ¶(5) provides "Prior to returning an offer because documents relating to the transferee/nominee issue(s) are not submitted, review documents already provided by the taxpayer and consider if the existing information is sufficient to calculate the RCP."